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28 June 1954

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MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: SMIS 10-5-54: Soviet Bloc Reaction to Certain US Courses of Action to Restrict Bloc Representation in the US

BACKGROUND

1. SMIS 10-5-54 was undertaken in response to an urgent IAC request for guidance on the effect on the US foreign intelligence effort of IAC approval of a policy recommended by the DMS and the IAC for restricting Soviet Bloc collection of unclassified intelligence materials in the US. The intelligence materials in question and the proposed restrictions are described in the Assumptions to this estimate.

SUMMARY

2. The substance of the estimate was agreed to by the IAC representatives, but in view of the short time that was available for coordination of this paper, points are almost certain to be raised at the IAC meeting.

3. Admiral Egge for instance is reported to consider the take of the US collection effort in the Bloc as far less important than do the other IAC members. He therefore will probably press for changing the tone of the final paragraphs, i.e., 10 through 12.

4. At the meeting of the representatives, G-2 wished to introduce an estimate of how the USSR would react if the current US restrictions were applied bit by bit. The Board and other representatives felt that the IAC had not been given a directive in this matter and had no guidance. However, I have just learned that G-2 will introduce a new paragraph to follow para. 4 in which they estimate that the Bloc will probably not respond with retaliatory countermeasures if the US restrictions are imposed gradually.

5. The General Counsel's office is preparing a briefing note regarding the legality of the US limiting activities of Bloc members of international organizations.

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